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CONSOLIDATED REXSPAR
MINERALS & CHEMICALS LIMITED

Annual Report

FOR THE YEAR ENDED DECEMBER 31, **1972**

CONSOLIDATED REXSPAR
MINERALS & CHEMICALS LIMITED
20th Floor - 4 King Street West
Toronto, Ontario

C A P I T A L I Z A T I O N

	Authorized	Outstanding
Common Shares.....	4,920,000	3,624,300
	No Par Value	

O F F I C E R S A N D D I R E C T O R S

OFFICERS

JOHN KOSTUIK, B.Sc.,P.Eng.....*President*
HUGH G. MacGERGOR.....*Secretary-Treasurer*
F. W. BOULGER.....*Assistant-Secretary*

DIRECTORS

GEORGE B. HEENAN.....*Toronto, Ontario*
JOHN KOSTUIK, B.Sc.,P.Eng.....*Toronto, Ontario*
HUGH G. MacGREGOR.....*Montreal, Quebec*
W. NOEL O'BRIEN, P.Eng.....*Toronto, Ontario*

TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY
Toronto, Ontario

SOLICITORS

MANLEY, GRANT & CAMISSO
Toronto, Ontario

AUDITORS

Eddis & Associates
Toronto, Ontario

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

President's Report

TO THE SHAREHOLDERS:

In the interim report issued in August, 1972 shareholders were informed that additional field work was being undertaken on the Rexspar fluorspar property in British Columbia and that financing of \$50,000 for the 1972 program had been arranged through the sale of 200,000 common shares to Denison Mines Limited, the manager of the program.

The principal purpose of the field work was to investigate the possibility of additional fluorspar reserves in economic quantities in larger structures underlying or near the main deposit. Seven holes were drilled (2,373 feet) during the season. A small deposit was located at the expected horizon but it proved too small to be of economic significance; the concept of a major fluorspar body in the lower horizon was not confirmed. Some limited geochemical soil testing of a separate area approximately 8,000 feet from the main zone indicates anomalous zones which may be favorable for exploration.

As a result of interest expressed by a major Japanese company and following their examination of the property in September, 1972 detailed metallurgical investigations on Rexspar samples were undertaken by them in Japan. Their report, received in May 1973, confirms Rexspar's tonnage and grade estimates and concludes that further and detailed test studies would be necessary to recover "acid grade" fluorite concentrate from the deposit. Previous extensive work by Rexspar demonstrated that a metallurgical grade concentrate is the most suitable Rexspar product with the flotation reagents available to them.

Field work and further metallurgical work for 1973 have been deferred, pending review of possibilities for the Rexspar property.

Toronto, May 18, 1973.

John Kostuik,
President.

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

(Incorporated under the laws of Ontario)

BALANCE SHEET

DECEMBER 31, 1972

	<u>ASSETS</u>	<u>1972</u>	<u>1971</u>
Current assets			
Cash	\$	13,064	\$ 13,064
Short term investment, at cost	30,000	10,000	
Accounts receivable	<u>200</u>	<u>314</u>	
	30,200	23,378	
Investment in subsidiary (note 1)			
Shares, at cost	150	150	
Advances	<u>645</u>	<u>446</u>	
	795	596	
Mining properties (note 2)	849,046	849,046	
Fixed assets, at cost			
Land	10,690	10,690	
Buildings	4,298	4,298	
Furniture, fixtures and equipment	<u>2,640</u>	<u>2,790</u>	
	17,628	17,778	
Deferred exploration and development	2,521,707	2,471,556	
Organization expense	<u>4,349</u>	<u>4,349</u>	
	<u>\$3,423,725</u>	<u>\$3,366,703</u>	

LIABILITIES

Current liabilities			
Bank indebtedness	\$ 861	\$	
Accounts payable and accrued expenses	<u>17,706</u>	<u>11,545</u>	
	18,567	11,545	

SHAREHOLDERS' EQUITY

Capital stock (note 3)			
Authorized			
4,920,000 shares of no par value			
Issued			
3,624,300 shares (1971 3,424,300 shares)	3,704,153	3,654,153	
Deficit	<u>298,995</u>	<u>298,995</u>	
	<u>3,405,158</u>	<u>3,355,158</u>	
	<u>\$3,423,725</u>	<u>\$3,366,703</u>	

Approved on behalf of the Board,

JOHN KOSTUIK, Director

The accompanying notes are an integral part of this financial statement.

GEORGE B. HEENAN, Director

EDDIS & ASSOCIATES
CHARTERED ACCOUNTANTS

ASSOCIATED FIRMS

COLLINS, LOVE, EDDIS, VALIQUETTE & BARROW
VANCOUVER - CALGARY - EDMONTON - WINNIPEG - TORONTO
MONTREAL - HALIFAX - MONCTON AND OTHER CITIES IN CANADA
WHITEHILL, EDDIS & CO.
LONDON ENGLAND - TORONTO CANADA

TELEPHONE (416) 363-3235

SUITE 1201
110 YONGE STREET
TORONTO 1, CANADA

AUDITORS' REPORT

To the Shareholders,
Consolidated Rexspar Minerals & Chemicals Limited.

We have examined the balance sheet of Consolidated Rexspar Minerals & Chemicals Limited as at December 31, 1972 and the statements of deferred exploration and development expenditures and source and application of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1972 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
January 10, 1973.

Eddis & Associates
CHARTERED ACCOUNTANTS.

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1972

	<u>1972</u>	<u>1971</u>
Birch Island, Kamloops Mining Division, British Columbia		
Exploration and development		
Surface exploration	\$ 36,702	\$ 14,888
Field administration	5,019	1,591
Consulting	<u>2,700</u>	<u> </u>
	44,421	16,479
Administration		
Professional fees	1,250	3,727
Registrar and transfer agents' fees	2,878	2,773
Reports to shareholders	1,213	2,397
Stock exchange fees	600	700
Taxes and licences	86	125
Travelling	216	1,060
Other administrative expense	77	335
Office supplies	<u>192</u>	<u> </u>
	<u>6,512</u>	<u>11,309</u>
	50,933	27,788
Interest earned	<u>782</u>	<u>251</u>
Total expenditure for the year	50,151	27,537
Balance, beginning of the year	<u>2,471,556</u>	<u>2,444,019</u>
Balance, end of the year	<u>\$2,521,707</u>	<u>\$2,471,556</u>

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1972

	<u>1972</u>	<u>1971</u>
Source of funds		
Capital stock issued	\$ 50,000	\$100,000
Interest earned	782	251
Proceeds on disposal of fixed assets	<u>150</u>	<u> </u>
	<u>50,932</u>	<u>100,251</u>
Application of funds		
Exploration and development expenditures	50,933	27,788
Advances to subsidiary	<u>199</u>	<u> </u>
	<u>51,132</u>	<u>27,788</u>
Increase (decrease) in working capital	(200)	72,463
Working capital (deficiency), beginning of the year	<u>11,833</u>	<u>(60,630)</u>
Working capital, end of the year	<u>\$11,633</u>	<u>\$ 11,833</u>

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1972

1. The company has not consolidated the accounts of its subsidiary, Rexspar Housing Limited, in these financial statements since that company was inoperative at December 31, 1972.

2. Mining properties - Birch Island, Kamloops Mining Division
British Columbia

22 mineral claims and fractions held under Crown Grant acquired for 825,000 fully paid shares in the capital stock of Rexspar Minerals & Chemicals Limited	\$825,000
19 mineral claims and fractions held under Crown Grant, at nominal value	19
107 mineral claims and fractions held by right of location, acquired for 170,000 fully paid shares in the company's capital stock	13,854
18 mineral claims held by right of location, at nominal value	18
99 mineral claims and fractions held by right of location, acquired for cash	<u>10,155</u>
	<u><u>\$849,046</u></u>

3. (a) During the year the company issued 200,000 shares for cash at \$0.25 per share.

(b) Capital stock has been issued for the following consideration, after giving effect to the change noted above.

<u>Issued</u>	<u>Number of Shares</u>	<u>Amount</u>
On consolidation of 6,500,000 shares of Rexspar Minerals & Chemicals Limited		
	1,300,000	\$2,635,003
For retirement of debentures	104,300	52,150
For mining properties	170,000	17,000
For cash	<u>2,050,000</u>	<u>1,000,000</u>
	<u><u>\$3,624,300</u></u>	<u><u>\$3,704,153</u></u>

4. Directors and senior officers, as defined in The Business Corporations Act (Ontario), received no direct remuneration during the year ended December 31, 1972.